

RESOLUTION NO. 14-104

Resolution Of The City Council Of The City Of Emeryville Establishing Park And Recreation Facility Impact Fees

WHEREAS, after an extensive community engagement process involving residents, business owners, and development representatives, the Emeryville City Council adopted a new General Plan on October 13, 2009 to guide the growth and development of the City of Emeryville; and

WHEREAS, as part of the General Plan ten guiding principles were enunciated that provide the platform for the goals, policies, and actions of the Plan, and as is relevant in the context of this resolution, principle 3 describes a desire for an “enhanced and connected open space network and green streets” that builds on the “strength and connectivity of the city’s greenways, with a range of new parks, plazas, community commons, and recreational paths”; and

WHEREAS, in the context of parks and recreation facilities, the General Plan identifies a desire to “increase park acreage to serve the needs of the growing population” (Policy PP-P-1), create “two new large parks....one each north and south of Powell Street, shall be provided” (Policy PP-P-2), as well as “new smaller open spaces – including public plazas and places, community gardens, and pocket parks” (Policy PP-P-3), and “other park opportunities to maximize accessibility for residents, such that every residenthas access to a park within a five-minute walk” (Policy PP-P4), to name but a few of the General Plan’s policies; and

WHEREAS, to further refine the General Plan’s goals with respect to parks and recreation facilities, the implementation program directed that a strategic parks master plan should be prepared which identifies needs and identifies options for financing and implementation (Action PP-A-1); and

WHEREAS, on January 18, 2011, the City Council adopted the Parks and Recreation Strategic Plan which provides, among other options, that the City should pursue impact fees to help off-set the impacts of an increased population of residents and employees of businesses; and

WHEREAS, in order to implement these policy directives to provide a park and recreation impact fee to mitigate the impacts of an increased population of residents and employees of businesses, on July 15, 2014, the City Council adopted Ordinance No. 14-008 establishing the “Impact Fee Ordinance” and thereby providing the City the ability to enact impact fees for the purpose of mitigating the impacts that development projects have upon the City’s ability to provide public facilities;

WHEREAS, to ensure that the park and recreation facility impact fees adopted by this resolution do not exceed the actual park and recreation facility impacts attributable to the development projects on which the fee is imposed, the City Council has received and considered a report from Willdan Financial Services dated April 24,

2014 and entitled, "Park And Recreation Facility Development Impact Fee Study" (attached as Exhibit "A")(the "Willdan Park Impact Study"); and

WHEREAS, the Willdan Park Impact Study demonstrates that, to fully mitigate the burdens created by development projects on the need for park and recreation facilities, a park and recreation facility impact fee based on a cost per capita of \$8,048 per resident and \$4,024 per worker would be needed; and

WHEREAS, the City Council now desires to adopt a park and recreation facility impact fee on development projects as authorized by the Impact Fee Ordinance, which fees do not exceed the justified fees needed to mitigate the actual park and recreation facility impacts attributable to the developments on which the fees are imposed; and

WHEREAS, to ensure that development projects remain economically feasible, the park and recreation facility impact fee adopted by this resolution are lower than the amount found by the Willdan Park Impact Study to be needed to fully mitigate the burdens created by new development projects on the need for parks and recreation facilities; and

WHEREAS, at least ten days prior to the date this resolution is being heard, data was made available to the public indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including general fund revenues, in accordance with Government Code Section 66019; and

WHEREAS, at least fourteen days prior to the date this resolution is being heard, notice was provided to any persons or organizations who had requested notice, in accordance with Government Code Section 66019; and

WHEREAS, notice of the public hearing on the proposed fee was published twice in the manner set forth in Government Code Section 6062a as required by Government Code Section 66018; and

WHEREAS, a duly and properly noticed public hearing was conducted by the City Council on July 1, 2014; now, therefore, be it

RESOLVED, after review of the Willdan Park Impact Study, staff reports, and public comment at a public hearing thereon:

Section 1. The City Council finds as follows:

A. The foregoing recitals are true and correct.

B. The purpose of the park and recreation facility impact fee is to mitigate the burdens created by new development projects on the need for park and recreation facilities.

C. In compliance with the Impact Fee Ordinance, all park and recreation facility impact fees collected shall be deposited into a separate City fund to be used solely to increase the supply of park and recreation facilities.

D. After considering the Willdan Park Impact Study, the testimony received at the public hearing, and the evidence in the record, the Council approves and adopts the attached Willdan Park Impact Study, and incorporates the Willdan Park Impact Study into this resolution by this reference, and further finds that new development will create a need for park and recreation facilities by increasing the number of residents and employees of businesses that utilize these facilities thereby leading to overuse and overcrowding of existing facilities if acquisition and development of new facilities are not provided to accommodate this population growth.

E. There is a need in the City of Emeryville for park and recreation facilities identified in the Willdan Park Impact Study.

F. The facts and substantial evidence in the record establish that there is a reasonable relationship between the need for park and recreation facilities and the impacts of the development described in the Willdan Park Impact Study for which the corresponding fee is charged, and there is also a reasonable relationship between the fee's use and the type of development for which the fee is charged, as is described in more detail in the Willdan Park Impact Study attached to this resolution.

G. The cost estimates set forth in the Willdan Park Impact Study are reasonable cost estimates for constructing park and recreation facilities, and the fees expected to be generated by new development will not exceed these costs.

H. Adoption of this resolution is exempt from the California Environmental Quality Act because the adoption of this resolution is not a project in that it is a government funding mechanism which does not involve any commitment to any specific project. (CEQA Guidelines Section 15378(b)(4).)

Section 2. The City Council hereby adopts the park and recreation facility impact fees at the rate of 25% of the amount as shown in Table 3.10 of the Willdan Park Impact Study, attached hereto as Exhibit "A," and incorporated herein by this reference. Land uses not included in Table 3.10 of the Willdan Park Impact Study shall have their fee determined by the Community Development Director using the occupant densities set forth in the latest edition of the Institute of Transportation Engineers trip generation manual and the fee calculation method as set forth in the Willdan Park Impact Study.

Section 3. The City Council may review and amend the park and recreation facility impact fee from time to time. For any annual period during which the City Council does not review the park and recreation facility impact fee, fee amounts shall be adjusted once as of July 1st by the Community Development Director based on the percentage increase in the Engineering News-Record Construction Cost Index for San Francisco, California.

Section 4. A park and recreation facility impact fee shall be collected by the City's Chief Building Official from all development subject to the fee.

Section 5. This Resolution shall go into full force and effect on September 13, 2014, or upon the effective date of the above-referenced Impact Fee Ordinance, whichever occurs later.

Section 6. Any judicial action or proceeding to attack, review, set aside, void or annul this resolution shall be brought within the 120-day time period as established by Government Code Section 54995.

APPROVED, by the City Council of the City of Emeryville at a regular meeting held on Tuesday, July 15, 2014.



MAYOR

ATTEST:

APPROVED AS TO FORM:



CITY CLERK

CITY ATTORNEY

Exhibits:

A. Parks and Recreation Facilities Impact Fee Study – April 24, 2014



CITY OF EMERYVILLE

PARK AND RECREATION FACILITIES DEVELOPMENT IMPACT FEE STUDY

APRIL 24, 2014



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Executive Summary

This report summarizes an analysis of the need for public facilities and capital improvements to support future development within the City of Emeryville through 2030. It is the City's intent that the costs representing future development's share of these facilities and improvements be imposed on that development in the form of a development impact fee, also known as a public facilities fee. The public facilities and improvements included in this analysis of the City's public facilities fee program all fall into the parks and recreation facilities category.

Background and Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. To fulfill this objective public agencies should review and update their fee programs periodically to incorporate the best available information. The primary purpose of this report is to create fees that incorporate current facility plans to serve a 2030 service population.

The City imposes public facilities fees under authority granted by the *Mitigation Fee Act*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the *Act* for adoption of the fees presented in the fee schedules contained herein.

Facility Standards and Costs of Growth

This fee analysis uses standards based on the City's policy decisions to determine the cost of facilities required to accommodate growth. Depending on the facility standard, the City currently may or may not have sufficient facilities to serve existing development. If the City's existing facilities are below standard, a deficiency exists. In this case, the portion of the cost of planned facilities associated with correcting the deficiency must be allocated to non-fee funding sources. Parks and recreation impact fees can only fund future facilities needed to accommodate new development at the adopted standard.

Therefore, where appropriate, this study distinguishes between the share of planned facilities needed to accommodate growth and the share that will serve existing residents and businesses. New development can only fund its fair share of planned facilities. To ensure compliance with the law, this study ensures that there is a reasonable relationship between new development, the amount of the fee, and facilities funded by the fee.

Fee Schedule

Table E.1 summarizes the schedule of maximum justified parks and recreation facilities fees based on the analysis contained in this report. The City may adopt any level of fees up to the maximum justified amount shown in the fee schedule.

Table E.1: Maximum Justified Impact Fee

Land Use	Fee
<i><u>Residential - Fee per Dwelling Unit</u></i>	
Single Family / Townhome	\$ 14,969
Multi-family - Rental or Condominium	14,406
<i><u>Nonresidential - Fee per 1,000 Sq. Ft.</u></i>	
Retail	\$ 8,048
Office	14,647
Industrial	4,024
Research & Development	10,060
Hotel	4,024
Restaurant	20,120

Source: Table 3.10.

1. Introduction

This report presents an analysis of the need for public facilities to accommodate new development in the City of Emeryville. This chapter explains the study approach and summarizes results under the following sections:

- ♦ Background and study objectives;
- ♦ Public facilities financing in California;
- ♦ Organization of the report; and
- ♦ Facility standards approach.

Background and Study Objectives

The primary policy objective of a public facilities fee program is to ensure that new development pays the capital costs associated with growth. To fulfill this objective, public agencies should review and update their fee programs periodically to incorporate the best available information. The primary purpose of this report is to create fees that incorporate current capital facility plans to serve a 2030 service population for the City of Emeryville.

The City imposes public facilities fees under authority granted by the *Mitigation Fee Act*, contained in *California Government Code* Sections 66000 *et seq.* This report provides the necessary findings required by the *Act* for adoption of the fees presented in the fee schedules contained herein.

Public Facilities Financing In California

The changing fiscal landscape in California during the past 30 years has steadily undercut the financial capacity of local governments to fund infrastructure. Three dominant trends stand out:

- ♦ The passage of a string of tax limitation measures, starting with Proposition 13 in 1978 and continuing through the passage of Proposition 218 in 1996;
- ♦ Declining popular support for bond measures to finance infrastructure for the next generation of residents and businesses; and
- ♦ Steep reductions in federal and state assistance.

Faced with these trends, many cities and counties have had to adopt a policy of “growth pays its own way.” This policy shifts the burden of funding infrastructure expansion from existing taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees also known as public facilities fees. Assessments and special taxes require approval of property owners and are appropriate when the funded facilities are directly related to the developing property. Development fees, on the other hand, are an appropriate funding source for facilities that benefit all development jurisdiction-wide. Development fees need only a majority vote of the legislative body for adoption.

Organization of the Report

The determination of a public facilities fee begins with the selection of a planning horizon and development of projections for population and employment. These projections are used throughout the analysis of different facility categories, and are summarized in Chapter 2.

Chapter 3 is devoted to documenting the maximum justified public facilities fee for parks and recreation facilities.

Chapter 4 describes the fee implementation process. The five statutory findings required for adoption of the proposed public facilities fees in accordance with the *Mitigation Fee Act* (codified in *California Government Code* Sections 66000 through 66025) are summarized in Chapter 5.

Facility Standards and Cost Allocation Approach

A facility standard is a policy that indicates the amount of facilities required to accommodate service demand. Examples of facility standards include building square feet per capita and park acres per capita. Standards also may be expressed in monetary terms such as the replacement value of facilities per capita. The adopted facility standard is a critical component in determining development's need for new facilities and the amount of the fee. Standards determine new development's fair share of planned facilities and ensure that new development does not fund deficiencies associated with the existing city infrastructure.

The parks and recreation facilities fees calculated in this report use an existing inventory demand standard translated into facility costs per capita to determine new development's fair share of planned facility costs. A cost standard provides a reasonable method for converting disparate types of facilities, in this case parkland and special use recreational facilities, into a single measure of demand (capital cost per capita). The cost standard is based on the **existing inventory** of parks and recreation facilities. New development would fund the expansion of facilities at the same rate that existing development has provided facilities to date. Thus there is no existing deficiency. The City has identified some but not all of the planned facilities to be funded by the fee through the 2030 planning horizon of this study.

2. Land Use Assumptions

This chapter describes the projections of growth used in this study. The existing service population in 2013 is used as the base year of the study and the planning horizon is the year 2030. This chapter also describes the sources of the unit costs for land and buildings used in this study.

Use of Growth Projections for Impact Fees

Estimates of the existing service population and projections of growth are critical assumptions used throughout this report. These estimates are used as follows:

- ♦ Estimates of total development in 2030 are used to determine the total amount of public facilities required to accommodate the future service population.
- ♦ Estimates of existing and new development are used to allocate the fair share of total planned facility costs between existing and new development.

Land Use Types

To ensure a reasonable relationship between each fee and the type of development paying the fee, growth projections distinguish between different land use types. The land use types used in this analysis are defined below.

- ♦ **Single-family:** Detached and attached one-family dwelling units.
- ♦ **Multi-family:** All attached multi-family dwellings such as duplexes, condominiums, plus mobile homes, apartments, and dormitories.
- ♦ **Retail:** All commercial, and retail development.
- ♦ **Office:** All general, professional, and medical office development.
- ♦ **Industrial:** All manufacturing and warehouse development.
- ♦ **Research and Development (R&D) –** All research and development, including biotech, development
- ♦ **Hotel –** All hotel, motel, and resort development.
- ♦ **Restaurant –** Any commercial development that serves food.

Some developments may include more than one land use type, such as an industrial warehouse with living quarters (a live-work designation) or a planned unit development with both single and multi-family uses. In these cases the public facilities fee would be calculated separately for each land use type.

The City should have the discretion to impose the parks and recreation facilities fee based on the specific aspects of a proposed development regardless of zoning. The guideline to use is the probable occupant density of the development, either residents per dwelling unit or workers per building square foot. The fee imposed should be based on the land use type that most closely matches the probable occupant density of the development.

Growth Projections for City of Emeryville

The base year for this study is the year 2013. The existing facilities in 2013 combined with the planned facilities in 2030 comprise the growth increment in our study.

Population and dwelling unit data for 2013 was provided from the California Department of Finance Table E-5 for 2013. The California State Employment Development Department (EDD) provided employment estimates for 2013. Estimates of residents, dwelling units and employees in 2030 all come from the City's General Plan Draft EIR.

Table 2.1 shows estimates of the growth in terms of residents, dwelling units, and workers.

Table 2.1: Population and Employment Estimates and Projections

	2013	Buildout (2030)	Net Growth 2013-2030
Residents ¹	10,196	16,660	6,464
Dwelling Units ²	5,988	9,800	3,812
Employment ³	20,467	30,000	9,533

¹ Excludes residents living in group quarters.

² Total dwelling units shown, including single family, multifamily, condominiums and townhomes.

³ Represents jobs located within the city (not employed residents).

Development Department 2012; General Plan Draft EIR, Table ES-1, 2009;
Willdan Financial Services.

Occupant Densities

Occupant densities ensure a reasonable relationship between the increase in service population and amount of the fee. Developers pay the fee based on the number of additional housing units for residential development, or building square feet for nonresidential development. The fee schedule must convert service population estimates into these measures of housing units or building square feet. This conversion is done with average occupant density factors by land use type, shown in **Table 2.2**.

The residential occupant density factors for both single-family and multi-family units is derived from data from US Census' American Community Survey, adjusted by data from the Department of Finance.

The nonresidential density factors for the retail, hotel, office, and industrial land uses were derived from information in Table ES-1 of the City's General Plan EIR, and Table 2-2 of the City's General Plan. The density for the restaurant land use was derived by Keyser Masrston Associates from the National Restaurant Association's 2010 Restaurant Industry Operations

Report for limited service restaurants. The density for the research and development land use was derived from the Institute of Traffic Engineers Trip Generation Manual, Fifth Edition.

Table 2.2: Occupancy Density Assumptions

Residential

Single Family / Townhome	1.86	Persons per dwelling unit
Multi-family - Rental or Condominium	1.79	Persons per dwelling unit

Nonresidential

Retail	2.00	Employees per 1,000 sq. ft.
Office	3.64	Employees per 1,000 sq. ft.
Industrial	1.00	Employees per 1,000 sq. ft.
Research & Development	2.50	Employees per 1,000 sq. ft.
Hotel	1.00	Employees per 1,000 sq. ft.
Restaurant	5.00	Employees per 1,000 sq. ft.

Sources: Sources: U.S. Census Bureau, 2007-2011 American Community Survey, Tables B25024 and B25033; City of Emeryville; Keyser Marston Associates; 2010 Restaurant Industry Operations Report; Table ES-1 of the GP EIR and Table 2-2 of the General Plan; Institute of Traffic Engineers Trip Generation Manual, 5th Edition; Willdan Financial Services.

3. Parks and Recreation Facilities

The purpose of this fee is to generate revenue to fund the parks and recreation facilities needed to serve new development the 2030. The impact fee is based on maintaining the City's existing parkland standards.

Service Population

Park and recreation facilities in Emeryville serve both residents and employees working in the City. Therefore, demand for park and recreation facilities is based on the City's service population including residents and workers.

In 2008, Willdan Financial Services (then MuniFinancial) conducted a survey of Emeryville park users to calculate the proper worker-weighting factor used to determine the parks service population. The results of the park survey yielded a ratio of 1.33 workers to residents. More information regarding the park survey can be found in the appendix of this study. Despite the survey indicating a worker-weighting factor of 1.33, this study uses a worker-weighting factor of 0.50. The 0.50 worker-weighting factor is used because:

- All other park user surveys we are aware of indicate a worker weighting factor of less than 1.0;
- Park and recreation facilities tend to be planned primarily to serve residents; and,
- The survey may have been biased towards overestimating worker use of parks because it was conducted during the lunch hour.

The use of 0.50 as a worker-weighting factor is conservative, compared to the survey results, and reasonable, when compared to other surveys of park use. **Table 3.1** provides estimates of the service population with a projection for the year 2030.

Table 3.1: Park and Recreation Facilities Service Population

	Residents	Workers	Service Population
Existing (2013)	10,196	20,467	20,400
New Development (2013-2030)	6,464	9,533	11,200
Total (2030)	16,660	30,000	31,600
Weighting factor	1.00	0.50	

Note: Figures for service population have been rounded.

¹ Workers are weighted at 0.50 of residents.

Sources: Tables 2.1 and A.1; Willdan Financial Services.

Existing Park and Recreation Facilities Inventory

The City of Emeryville maintains several park and recreation facilities throughout the city. **Table 3.2** summarizes the City's existing parkland inventory. All facilities are located within the City limits.

Table 3.2: Park and Recreation Facilities Land Inventory

Name	Developed Acres	Undeveloped Acres
<u><i>City Parks</i></u>		
61st Street Mini-Park/Doyle	0.14	-
Civic Center	0.04	-
Christie Avenue Park/59th	0.85	-
Doyle-Hollis Park	1.28	-
Stanford Avenue Park (Doyle)	1.74	-
48th Street Community Garden	-	0.08
Subtotal	4.05	0.08
<u><i>Waterfront Parks</i></u>		
Davenport Mini-Park (Powell/Anchor)	0.44	-
Marina Park (3300 Powell)	7.56	-
Point Emery (Frontage/Ashby)	1.37	-
Shorebird Park	1.97	-
Subtotal	11.34	-
<u><i>Greenways/Linear Parks</i></u>		
Emeryville Greenway	1.50	-
Horton Landing Park	-	1.40
Pixar Pedestrian Path	0.65	-
San Francisco Bay Trail	3.31	-
Temescal Creek Park (48th St.)	0.70	-
Parcel D	-	1.95
HSP/Greenway (@ 59th St.)	-	0.48
Powell to Stanford	-	0.63
Subtotal	6.16	4.46
<u><i>Special Use Facilities</i></u>		
Big Daddy's Community Garden	0.20	-
Community Organic Garden (Doyle St.)	0.29	-
Park Avenue Plaza	0.30	-
Recreation Center	0.47	-
Senior Center / Veteran's Memorial	0.29	-
Art & Cultural Center	-	0.78
Subtotal	1.55	0.78
Total Acreage	23.10	5.32

Sources: Table 1, *Parks and Recreation Strategic Plan*, City of Emeryville, January 18, 2011; Willdan Financial Services.

Table 3.3 displays the City's investment in special use facilities. In this case, the value of the City's 12,500 square foot Senior Center is approximately \$3.2 million, based on a unit cost assumption of \$250 square feet per capita.

Table 3.3: Special Use Facilities Inventory

	Amount	Cost ¹	Total Value
<u>Special Use Facilities</u>			
Senior Center	12,500 sq. ft.	250	\$ 3,159,300
Total Value of Special Use Facilities			\$ 3,159,300

Source: City of Emeryville; Engineering News Record; Willdan Financial Services.

Parkland Unit Costs

Table 3.4 shows the estimated cost per acre for developing parkland, including land acquisition, standard park improvements, and special use facilities. The land value of \$4.4 million per acre used throughout this report is based on the estimated value of land from the City's *Parks and Recreation Strategic Plan* (2011).

The value of special use facilities, in this case the Senior Center, is allocated across all parkland and added to the cost of land acquisition per acre, and the cost of standard park improvements to determine the total cost to develop an acre of parkland in the County. The park improvement cost per acre is based on the City's recent experience developing the Emeryville Greenway from Powell Street to Stanford Street.

Table 3.4: Park and Recreation Facilities Unit Costs per Acre

	Calculation	Costs	Share
Special Use Facilities	A	\$ 3,159,300	
Total Acres of Improved Parkland	B	23.10	
Special Use Facilities Cost per Acre	$C = A / B$	\$ 136,800	
Park Improvement Cost ¹	D	1,560,000	
Subtotal - Park Improvements	$E = C + D$	\$ 1,696,800	28%
<u>Land Acquisition Cost</u>	F	4,400,000	72%
Total Per Acre Cost	$G = E + F$	\$ 6,096,800	100%

¹ Based on cost to develop Emeryville Greenway from Powell to Stanford.

Sources: Table C-2, *Parks and Recreation Strategic Plan*, City of Emeryville, January 18, 2011; City of Emeryville Finance Department Cumulative Reports 8/28/13, Willdan Financial Services.

Improved Parkland Equivalent

Before calculating the existing standards, unimproved parkland owned by the City must be converted to an equivalent amount of improved parkland. **Table 3.5** details this conversion. The conversion is based on the ratio of the cost of an improved acre of land relative to an acre of unimproved parkland.

Table 3.5: Undeveloped Parkland Equivalent

Type		Acres
Unimproved Parkland Acres	<i>A</i>	5.32
Unimproved Land Share of Total Improved Parkland	<i>B</i>	<u>72%</u>
Equivalent Improved Acres	$C = A \times B$	3.83
Acres of Improved Parkland	<i>D</i>	<u>23.10</u>
Total Acres of Improved Parkland	$E = C + D$	26.93

Sources: Tables 3.2 and 3.3.

Park Facility Standards

Table 3.6 shows the existing parkland standard based on the parkland acreage shown in Table 3.2 and the existing residential population shown in Table 3.1. The City has an existing standard of 1.32 acres of parkland per 1,000 service population.

Table 3.6: Park and Recreation Facilities Standards

Type of Acreage		Existing Inventory Standard
Existing Acres of Parkland	<i>A</i>	26.93
Service Population	<i>B</i>	<u>20,400</u>
Standard (acres per 1,000 service population)	$C = A / B \times 1,000$	1.32

Sources: Tables 3.1, and 3.5; Willdan Financial Services.

Facilities Needed to Accommodate New Development

Table 3.7 shows the park facilities needed to accommodate new development at the existing standard. To achieve the standard by the planning horizon, new development must fund the purchase and improvement of 15.36 parkland acres, at a total cost of approximately \$93.6 million.

Table 3.7: Park Facilities to Accommodate New Development

		Land	Improvements	Total
<u>Facility Needs</u>				
Facility Standard (acres/1,000 service population)	A	1.32	1.32	1.32
Service Population Growth (2013-2030)	B	11,200	11,200	11,200
Facility Needs (acres)	$C = (B/1,000) \times A$	14.79	14.79	14.79
<u>Parkland</u>				
Average Unit Cost (per acre)	D	\$ 4,400,000	\$ 1,696,800	\$ 6,096,800
Total Cost of Facilities	$E = C \times D$	\$65,076,000	\$ 25,096,000	\$90,172,000

Note: Totals have been rounded to the thousands.

Sources: Tables 3.1, 3.4, and 3.6; Willdan Financial Services.

Parks Cost per Capita

Table 3.8 shows the cost per capita of providing new park facilities at the existing facility standard. The cost per capita is shown separately for land and improvements and residents and workers.

Table 3.8: Park Facilities Investment Per Capita

	Land	Improvements	Total
Parkland Investment (per acre)	\$ 4,400,000	\$ 1,696,800	\$ 6,096,800
Facility Standard (acres per 1,000 service population)	1.32	1.32	1.32
Total Investment Per 1,000 capita	\$ 5,808,000	\$ 2,240,000	\$ 8,048,000
	1,000	1,000	1,000
Investment Per Capita	\$ 5,808	\$ 2,240	\$ 8,048
Investment Per Worker	2,904	1,120	4,024

Sources: Tables 3.4, and 3.6; Willdan Financial Services.

Use of Fee Revenue

The City plans to use park facilities fee revenue to purchase parkland or construct improvements to add to the system of park and recreation facilities that serves new development. The City may only use impact fee revenue to provide facilities and intensify usage of existing facilities needed to serve new development.

The City intends to use the fee revenue to purchase and develop the planned and proposed facilities mapped and listed in the *Parks and Recreation Strategic Plan* (2011). **Table 3.9** displays the planned and proposed facilities identified in the *Strategic Plan*. In order to fully realize all of the planned and proposed facilities in the *Strategic Plan*, the City will need to fund approximately \$70.4 million in costs with non-fee funding sources.

Table 3.9: Planned and Proposed Park Facilities

Project	Proposed Acres	Planning Level Cost Estimate
<u>Planned Parks</u>		
Horton Landing Park	1.40	\$ 372,800
Christie Avenue Park	0.37	344,285
48th Street Community Garden	0.09	20,970
Subtotal	1.86	\$ 738,055
<u>Proposed Parks</u>		
Site 1: Doyle Hollis Park Expansion	6.75	\$ 38,930,888
Site 2: PG&E site West of Hollis between 45th and 53rd	6.24	36,776,183
Site A: I-80 ped-bike bridge touchdown in Ashby Interchange	0.25	1,329,075
Site B: West of Shellmound North of 65th	0.50	3,291,575
Site C: North of 65th, East of RR tracks	1.00	6,054,575
Site D: North of Powell, between Christie and I-80	0.50	3,000,325
Site E: Stanford Ave, Park expansion West to Hollis	0.80	4,315,950
Site F: Stanford Ave, Park expansion North to Powell	0.55	3,241,675
Site G: Powell St. Plaza West of Shellmound, South of Powell	1.00	5,897,300
Site H: Temescal Creek Park and Temescal Creek Greenway	0.08	65,856
Site J: On Park Ave, West of Hollis	0.50	3,204,200
Site K: East Bay Bridge Center, South of 40th, West of San Pablo	3.00	17,590,050
Site L: Triangle neighborhood East of San Pablo, North of 40th	0.50	3,250,800
Emeryville Greenway Expansions	4.71	25,797,972
Temescal Creek Greenway Expansions	1.32	7,135,761
Subtotal	27.70	\$ 159,882,185
Total - Planned and Proposed Park Facilities	29.56	\$ 160,620,240

Source: Table C-1, City of Emeryville Parks and Recreation Strategic Plan, January 18, 2011.

Fee Schedule

Table 3.10 shows the proposed park facilities fee schedule. The proposed fees are based on the costs per capita shown in Table 3.8.

Table 3.10: Park and Recreation Facilities Impact Fee

	A	B	C = A x B	D = C / 1,000
Land Use	Cost Per Capita	Density	Base Fee ¹	Fee per Sq. Ft.
<i><u>Residential</u></i>				
Single Family / Townhome	\$ 8,048	1.86	\$ 14,969	
Multi-family - Rental or Condominium	8,048	1.79	14,406	
<i><u>Nonresidential</u></i>				
Retail	\$ 4,024	2.00	\$ 8,048	\$ 8.05
Office	4,024	3.64	14,647	14.65
Industrial	4,024	1.00	4,024	4.02
Research & Development	4,024	2.50	10,060	10.06
Hotel	4,024	1.00	4,024	4.02
Restaurant	4,024	5.00	20,120	20.12

¹ Fee per dwelling unit (residential) or per 1,000 square feet (nonresidential).

Sources: Tables 2.2 and 3.8; Willdan Financial Services.

4. Implementation

Impact Fee Program Adoption Process

Impact fee program adoption procedures are found in the *California Government Code* section 66016. Adoption of an impact fee program requires the City Council to follow certain procedures including holding a public meeting. A fourteen-day mailed public notice is required for those registering for such notification. Data, such as an impact fee report, must be made available at least 10 days prior to the public meeting. Your legal counsel should inform you of any other procedural requirements as well as advice regarding adoption of an enabling ordinance and/or a resolution. After adoption there is a mandatory 60-day waiting period before the fees go into effect. This procedure must also be followed for fee increases.

Inflation Adjustment

Appropriate inflation indexes should be identified in a fee ordinance including an automatic adjustment to the fee annually. Separate indexes for land and construction costs should be used. Calculating the land cost index may require the periodic use of a property appraiser. The construction cost index can be based on the City's recent capital project experience or can be taken from any reputable source, such as the *Engineering News-Record*. To calculate prospective fee increases, each index should be weighed against its share of total planned facility costs represented by land or construction, as appropriate.

Reporting Requirements

The City should comply with the annual and five-year reporting requirements of the *Act*. For facilities to be funded by a combination of public fees and other revenues, identification of the source and amount of these non-fee revenues is essential. Identification of the timing of receipt of other revenues to fund the facilities is also important.

Fee Accounting

The City should deposit fee revenues into separate restricted fee accounts for each of the fee categories identified in this report. Fees collected for a given facility category should only be expended on new facilities of that same category.

Programming Revenues and Projects with the CIP

The City should commit all projected fee revenues and fund balances to specific projects in its Capital Improvements Program. These should represent the types of facilities needed to serve growth and described in this report. The use of the CIP in this manner documents a reasonable relationship between new development and the use of those revenues. The CIP also provides the documentation necessary for the City to hold funds in a project account for longer than five years if necessary to collect sufficient monies to complete a project.

The City may decide to alter the scope of the planned projects or to substitute new projects as long as those new projects continue to represent an expansion of the City's facilities. If the total cost of facilities varies from the total cost used as a basis for the fees, the City should consider revising the fees accordingly.

5. Mitigation Fee Act Findings

Fees are assessed and typically paid when a building permit is issued and imposed on new development projects by local agencies responsible for regulating land use (cities and counties). To guide the imposition of facilities fees, the California State Legislature adopted the *Mitigation Fee Act* with Assembly Bill 1600 in 1987 and subsequent amendments. The Act, contained in *California Government Code* §§66000 – 66025, establishes requirements on local agencies for the imposition and administration of fees. The Act requires local agencies to document five statutory findings when adopting fees.

The five findings in the Act required for adoption of the maximum justified fees documented in this report are: 1) Purpose of fee, 2) Use of fee Revenues, 3) Benefit Relationship, 4) Burden Relationship, and 5) Proportionality. They are each discussed below and are supported throughout this report.

Purpose of Fee

- ♦ *Identify the purpose of the fee (§66001(a)(1) of the Act).*

We understand that it is the policy of the City that new development will not burden the existing service population with the cost of facilities required to accommodate growth. The purpose of the fees proposed by this report is to implement this policy by providing a funding source from new development for capital improvements to serve that development. The fees advance a legitimate City interest by enabling the City to provide parks and recreational facilities to new development.

Use of Fee Revenues

- ♦ *Identify the use to which the fees will be put. If the use is financing facilities, the facilities shall be identified. That identification may, but need not, be made by reference to a capital improvement plan as specified in §65403 or §66002, may be made in applicable general or specific plan requirements, or may be made in other public documents that identify the facilities for which the fees are charged (§66001(a)(2) of the Act).*

Fees proposed in this report, if enacted by the City, would be available to fund expanded facilities to serve new development. Facilities funded by these fees are designated to be located within the City. Fees addressed in this report have been identified by the City to be restricted to funding parks and recreation facilities.

An estimate of the amount of parkland needed to serve new development is identified in *Chapter 3* of this report. More thorough descriptions of certain planned facilities, including their specific location, if known at this time, are included in master plans, capital improvement plans, or other City planning documents or are available from City staff. The City may change the list of planned facilities to meet changing needs and circumstances of new development, as it deems necessary. The fees should be updated if these amendments result in a significant change in the fair share cost allocated to new development.

Benefit Relationship

- ◆ *Determine the reasonable relationship between the fees' use and the type of development project on which the fees are imposed (§66001(a)(3) of the Act).*

We expect that the City will restrict fee revenue to the acquisition of land, construction of facilities and buildings, and purchase of related equipment, furnishings, vehicles, and services used to serve new development as described above under the “Use of Fee Revenues” finding. The City should keep fees in segregated accounts. Facilities funded by the fees are expected to provide a citywide network of facilities accessible to the additional residents and workers associated with new development. Under the *Act*, fees are not intended to fund planned facilities needed to correct existing deficiencies. Thus, a reasonable relationship can be shown between the use of fee revenue and the new development residential and non-residential use classifications that will pay the fees.

Burden Relationship

- ◆ *Determine the reasonable relationship between the need for the public facilities and the types of development on which the fees are imposed (§66001(a)(4) of the Act).*

Facilities need is based on a facility standard that represents the demand generated by new development for those facilities. Facilities demand is determined as follows:

The service population is established based upon the number of residents living in Emeryville plus the number of workers working in Emeryville. Service population correlates to the demand for parks and recreation facilities. One worker is weighted at half the demand of one resident based on an analysis of the relative service demand between a worker and a resident.

For parks and recreational facilities, demand is measured by a single facility standard (park acres per 1,000 service population) that can be applied across land use types to ensure a reasonable relationship to the type of development.

The standards used to identify growth needs are also used to determine if planned facilities will partially serve the existing service population by correcting existing deficiencies. This approach ensures that new development will only be responsible for its fair share of planned facilities, and that the fees will not unfairly burden new development with the cost of facilities associated with serving the existing service population.

Chapter 2, Land Use Assumptions provides a description of how service population and growth projections are calculated. Facility standards are described in the *Facility Inventories, Plans & Standards* sections of in Chapter 3.

Proportionality

- ◆ *Determine how there is a reasonable relationship between the fees amount and the cost of the facilities or portion of the facilities attributable to the development on which the fee is imposed (§66001(b) of the Act).*

The reasonable relationship between each facilities fee for a specific new development project and the cost of the facilities attributable to that project is based on the estimated

service population growth the project will accommodate. Fees for a specific project are based on the project's size or increases in the number of dwelling units. Larger new development projects can result in a higher service population, resulting in higher fee revenue than smaller projects in the same land use classification. Thus, the fees can ensure a reasonable relationship between a specific new development project and the cost of the facilities attributable to that project.

See *Chapter 2, Growth Projections*, or the *Service Population* section for a description of how service population or dwelling units adjustment factors are determined for different types of land uses. See the *Fee Schedule* section of *Chapter 3* for a presentation of the proposed facilities fees.

Appendix A: Worker Demand Survey

The worker demand weightings for park facilities were developed during various user intercept surveys carried out by MuniFinancial staff in September 2006. The following appendix describes the methodology used to arrive at the worker demand weighting factors.

Park Survey

The parks intercept survey was administered to all willing park-goers at three park locations through out the City of Emeryville on Thursday, September 21st and Saturday, September 30th, 2006. The parks surveyed are listed in the table below. Park users were asked if they came to the park that day because of proximity to work, home, or both?

The MuniFinancial staff has initially tabulated the results of the survey. The results of the weekday survey (Thursday, September 21st) need to be multiplied by five to weight the results to represent the five weekdays. The results from the weekend survey (Saturday, September 30th) need to be multiplied by two to weight the results to represent the total visits for both weekend days.

MuniFinancial made the adjustment of allocating 50 percent of responses to “both” to “work” responses and 50 percent of responses to “both” to home responses. The resulting estimate of total proximity to work responses were then divided by the current estimate of employees working within the city of Emeryville (excluding projected employment from pending entitled development projects) to derive park visits per employee. Park visits per resident were estimated by dividing the responses by the current resident population (excluding projected employment from pending entitled residential development projects). The resulting weighting factor for worker park use based on survey results is estimated at 1.33 times that of a resident. To be conservative, a worker weighting factor of 0.5 is used in this study.

A.1: City Of Emeryville Park Users Survey

	Number of patrons at park because of:		
	Work	Residence	Both
Survey Date: Thursday, September 21, 2006, 12:00 pm to 1:00 pm			
61st Street Mini Park	6	1	-
Stanford Ave Park	15	3	-
Marina Park	38	12	2
Total	59	16	2
Adjustment Factor	5	5	5
Weighted Weekday Visits	295	80	10
Survey Date: Saturday, September 30, 2006, 12:00 pm to 1:00 pm			
61st Street Mini Park	5	-	-
Stanford Ave Park	7	-	-
Marina Park	1	10	-
Total	13	10	-
Adjustment Factor	2	2	2
Weighted Weekend Visits	26	20	-
Weekend and Weekday Weighted Visits	321	100	10
Allocation of "Both" Response	5	5	
	326	105	
Service Population	20,300	8,700	
1,000 Visits per worker or resident	16.06	12.07	
	1,000 Visits Per Capita		
Workers	16.06		
Residents	12.07		
Worker Weighting Factor	1.33		

Note: These parks were selected based on their similarity to future parks to be built.

Source: MuniFinancial.